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ABSTRACT

This grades 7-9 teachers guide is one of five resource guides to aid teachers in helping students in South Dakota to achieve a high degree of economic literacy. It is felt that schools must prepare students at all grade levels to develop an understanding of the economy in which they live. This guide was specifically prepared to assist elementary and secondary school teachers, preservice students, and others interested in economic education with the identification and location of important economic concepts that are contained in the vast array of teaching materials and texts available in the social studies, and gives suggestions as to how these concepts might be taught at different grade levels. Fifty-four economic concepts such as banks, efficiency, markets, and urban problems are included in this guide. Under each concept the following information is recorded: the grade level, the source in which located, the author and/or publisher, a brief summation of it, and the page on which it is located in the source. Resource users are encouraged to add, delete, or adapt these concepts to their own needs and preferences. (Author/ND)

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TEACHERS GUIDE TO

Economic Concepts:

Grade 7-9

prepared for:

DEPARTMENT OF EDUCATION AND CULTURAL AFFAIRS
DR. THOMAS KILAN, SECRETARY

and

DIVISION OF ELEMENTARY AND SECONDARY EDUCATION
F. R. WANEK, ACTING STATE SUPERINTENDENT

prepared by:

The Center for Economic Education
Professor Milo F. McCabe, Director

THE UNIVERSITY OF SOUTH DAKOTA
VERMILLION, SOUTH DAKOTA

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TEACHERS GUIDE TO

ECONOMIC CONCEPTS

Grade 7-9

PREPARED BY:

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SPRING, 1975

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PREFACE

Economic Concepts: 7-9 has been developed as an aid to teachers in working toward helping the students in South Dakota achieve a high degree of economic literacy. To be effective, our schools must prepare students at all grade levels to develop an understanding of the economy in which they live.

This resource guide was specifically prepared to assist elementary and secondary school teachers, pre-service students, and others interested in economic education with the identification and location of important economic concepts that are contained in the vast array of teaching materials and texts available in economic education and how these concepts might be taught to students at different grade levels.

Economic Concepts: 7-9 is the third of four resource guides which are being developed. The basic material previewed and identified in this guide are those social studies texts and teacher's guides which are available in the Library of the Center for Economic Education at The University of South Dakota.

In no way is this document all inclusive. There are many other teaching materials and texts available.

Under each concept, the following information was recorded about each concept: grade level; the source in which it is located; the author or publisher; a brief summation of it; and the page on which it is located. Although the grade level designations are, for the most part, those recommended by the authors of the material indexed here, a concept for Grade 7 youngsters is probably suitable for Grade 8 youngsters and so forth.

Resource users are encouraged to add, delete or adapt these concepts to their own needs and preferences.

Economic Concepts: 7-9 was prepared by Professor Milo F. McCabe, Director of the Center for Economic Education. He was assisted by Ms. Janet Elrod, Research Assistant. Special considerations are extended to Ms. Nancy Renner, Ms. Mona Fennel, and Ms. Cabrini Engelhardt for their diligence in typing the various drafts.

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Milo F. McCabe, Director
Center for Economic Education
University of South Dakota

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AGRICULTURE

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
One characteristic of a growing economy is a shift from reliance on agriculture and forestry to industry, trade and services. Page 10.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
In the farming stage of economic development, man learned how to plant seeds and grow his own food. Page 10.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
The use of modern farming equipment has enabled the agricultural sector of the economy to produce more crops with fewer workers; therefore, the number of farm workers has been declining in numbers for many years. Page 18.

BANKS

Grade 8, Economic Education Experiences of Enterprising Teachers, Kazanjian Awards Publication: Number 10.
Commercial banks create the major portion of our money supply. They perform the lending function much more efficiently than individuals. Page 52.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
An improved banking system helps to provide capital for private ventures. Page 48.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
An efficient monetary system makes it easier for people in one place to do business with those in another. This encourages specialization and helps economic growth. Page 52.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Banks help economic growth by lending money to people who want to start new enterprises. Page 54.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The Federal Reserve Board attempts to secure economic stability and economic growth by making it easier or harder for banks to lend money. Page 92.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
Most savings go into financial institutions (banks, insurance companies, savings and loan associations, pension funds). These financial institutions then lend the savings to businessmen, farmers, home-builders, etc., who invest the money in capital goods. Page 5.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
A vital part of our history has been the various controversies over our money and banking system. Jackson's victory over the Second Bank of the United States in 1832 meant that we did not have a central bank until the Federal Reserve System started operations in 1914. Much of the intervening

BANKS

period was characterized by chaotic developments and bitter controversy in the field of money and banking. But the absence of a strong central control over the money supply did permit the economy to expand rapidly.

More recently, one of the functions of the Federal Reserve is to regulate the money supply in such a way as to promote economic stability in the short-run and economic growth in the long-run. Page 7.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
A bank is one of the many sources from which an individual may borrow money. Page 3.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
A bank savings account is a convenient place for the consumer to save his money. Page 48.

BORROWING: CREDIT

Grade 7, Economic Education Experiences of Enterprising Teachers, Kazanjian Awards Publication: Number 10.
A person with money which is not needed for present expenditures can lend out his money and receive interest as a return on his investment. Page 50.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
A borrower supplements his buying power through the use of consumer credit. Page 1.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Borrowing enables a person to buy a good or service now, such as a home, television set or medical services, rather than later. The loan must be repaid out of future income rather than present income. People who borrow money, or buy on time, normally pay interest or a finance charge. Page 3.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
There are many types of credit, but a good rule of thumb is not to buy on installment credit unless the product will last at least as long as the payments. The longer the product retains its value after payments, the wiser it is to buy on credit. Page 44.

BUDGETING

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
The personal budget is a tool for economic planning. It includes all forms of income, expenditures, saving and investment. Page 2

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
The budget calls attention to these expenses that are very important, so that none of these will be overlooked when the monthly income is divided. If the budget is carried out as planned, or with only reasonable changes, the family as a whole will obtain the goods and services that will give it the greatest satisfaction. Page 50.

BUSINESS ORGANIZATIONS: TYPES

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Not counting farms and self-employed professionals, like doctors and lawyers, there are about five million business firms in the United States. One million businesses are organized as corporations; nearly one million are partnerships; and three million are sole proprietorships. Page 64.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
A corporation is a form of business organization that gives the firm a separate legal existence. Page 65.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Many big businesses were founded by one man or by a few, but most of them were organized as corporations and most of them are now run by professional managers rather than by the founder or his relatives. Page 80.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
The corporation has replaced the one-man family-owned business as the principal form of legal organization in business. This is because the corporation is a more efficient way of raising capital on a large scale and because of certain legal advantages such as limited liability, transferability of ownership, and continuity of existence. Page 8.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
Today the ownership of most large businesses has passed into the hands of millions of ordinary citizens. These stockholders have legal ownership and they receive income from the business, but they exercise little or no control over how the business is run. The actual power of decision-making now rests in the hands of a professional managerial class. These men work primarily for salaries. Page 9.

CHOICE MAKING: SCARCITY

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
From the beginning, the Pilgrims were faced with the need to make economic choices. Page 6.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Looking at the world economy as a whole, we can readily see that there are not enough goods and services available to satisfy all the wants that men, women and children can think up. Page 45.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Values are standards that people use to make choices and decisions about important matters. Page 309.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
No society in history has ever had enough productive resources to produce all of the goods and services that all of its people wanted. Page 1.

CHOICE MAKING: SCARCITY

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Even as resources become more available, scarcity still exists. As more resources become available more alternative uses become possible and more choices have to be made. Page 15.

Grade 9, Economic Education Experiences of Enterprising Teachers, Kazanjian Awards Publication: Number 10.
Values affect economic decisions and goals. Page 43.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
Productive resources are relatively scarce; therefore, choices must be made among alternatives, i.e., all people must make economic decisions. Page

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
Growth is characterized by changes in consumer tastes. This means that some businesses will contract and others will expand Page 14.

Grade 9, Economic Readings for Students of Ninth Grade Social Studies, Pittsburgh DEEP.
All resources are limited, including time; therefore, people must also make decisions on how to spend their time. Page 3.

Grade 9, Economic Readings for Students of Ninth Grade Social Studies, Pittsburgh DEEP.
Economic system is the blanket term used to refer to all of the decisions a society makes concerning the allocation of its resources. Page 31.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
The central economic problem in every society is that man has a multiplicity of material wants but is unable to satisfy all of them because of the relative scarcity of the means of production. This fundamental fact of ever-growing wants and limited means gives rise to the need for constant decision-making by both individuals and society as a whole. Page 3.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Patterns of consumer spending differ according to the number of people in the household, their ages, special needs related to health, and so on. These patterns change during the consumer's life cycle. Page 3.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Since the nation's resources can be used to produce private or public goods and services, a choice must be made.

In the private sector of the economy, the market mechanism is used. Individuals make decisions to buy and sell goods and services, and resources are allocated on the basis of these decisions. Page 4.

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CIRCULAR FLOW OF GOODS AND SERVICES

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Consumers spend money in the output market to buy goods and services from business firms. These expenditures are like dollar votes that give signals to business, telling them what to produce. The market is a communication system, with the signals given by the dollars that people spend. When the business firms receive the signals in the output market from consumer households, they can make (and change) their plans concerning what and how much to produce. They then turn to the input market and buy the resources they need to produce the goods and services that are demanded by consumers. Page 21.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
The circular flow model helps explain how the market is organized and how it operates. The circular flow model shows how consumers buy goods and services in the output market. It illustrates how resource owners sell their productive services in the input market. It shows also how business firms buy in the input market and then sell in the output market. Page 54.

Grade 9, Economic Readings for Students of Ninth Grade Social Sciences, Pittsburgh DEEP.
Money flows to the government mainly in the form of taxes. Money flows from government to perform the services for which the government was created. Page 86.

CITY PLANNING

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
There have been some problems adjusting to population growth and urbanization which the government has attempted to alleviate through city transportation planning and urban renewal. Page 17.

COMPARATIVE SYSTEMS

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
Economic system refers to the organized way in which the people of a country use their resources to satisfy their wants. An economic system provides a method of making decisions. Page 1.

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
Underlying every society is a system of ideas which represent that society's values and goals. This system of ideas is called an ideology. An ideology guides the political and economic systems that a nation develops. Page 9.

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
The low level of economic development at which some countries find themselves together with factors such as a largely uneducated citizenry and a lack of national feeling, may make centralized decision-making seem like the most efficient means of achieving economic progress at first. Some of these countries have engaged in some experimentation with different ways of directing their economies African countries vary as to the mix of their economic systems. There is frequent change due to the unstable political structure in some countries.

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COMPARATIVE SYSTEMS

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
In contrast to societies in which the basic decisions on "what", "how", and "for whom" are made by a central authority, the main characteristic of the American Economy is decentralized decision-making by the people. Page 1.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
England's early colonial policies were geared to an economic system known as mercantilism. The idea behind mercantilism was self-sufficiency for the mother country, England. In other words, England wanted her colonies to provide her with raw materials like wood and furs needed for production. The colonies were also intended to become a market for the goods made in England from these raw materials. In this way, England's workmen, money, capital goods and knowledge of how to make things could be most fully used to produce wealth for England. Page 15.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
In 1776, Adam Smith, a teacher at the University of Glasgow in Scotland, published a book called The Wealth of Nations. In this book, Smith attacked the ideas of mercantilism. Smith described an economic system he thought would be more successful in helping nations grow wealthier than mercantilism had been. He advocated a free market system. Page 22.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Mercantilism was an economic system of government-controls designed to serve the needs of the state. The goal of mercantilism was to make the mother country self-sufficient. Under the system of mercantilism the economic need of the colonies were subordinate to the needs of the mother country. Page 23.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
The American economy is basically a market economy. Self-interest is the prime force in a market economy. Competition regulates the market. Page 34.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
An economic system simply refers to the way in which a society is organized to use its resources. Page 9.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
The economic system of the United States is basically a private enterprise system, where individuals and groups of people own most of the productive resources and make decisions as to how they should be used. We have private property rights concerning natural resources and capital goods. Page 10.

COMPARATIVE SYSTEMS

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
The economic system of the United States is a mixture of private enterprise and government. or competition and monopoly power, of tradition and of the market merchanism. But eventhough it is a very complicated mixture of many things, it still remains basically a capitalistic system built on the foundation of private property, the profit motive, free enterprise, competition and market prices. Page 17.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The mercantile economic system of the colonies was characterized by tight legal controls on prices and quality, and by measures designed to preserve the colonies as sources of raw materials and as markets for English products. Page 32.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The revolution helped to substitute a free market economy for the rigid controls of the mercantile system. This free market system was characterized by competition among free buyers and competition among free sellers. Each, by seeking to promote his self interest, would promote the general welfare. Page 36.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
All individuals do not approach decisions concerning how they will use their resources in the same way. All men do not have the same goals. In the traditional economy, past ways of doing things serve as guides for the future. Page 34.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
In some societies most individuals are relieved of the responsibility of making economic decisions. Decisions are made for them by individuals or groups authorized to make these decisions. A society that lets central planners make its economic decisions is said to have a command economy. Page 37.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
In a market economy, supply and demand determine the price paid for goods and services in the market. Page 42.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
Individual decision making is the key to the operation of a market economy. As consumers, individuals make personal decisions in the market place by their dollar votes; they indicate to the producers the kinds of goods and services they would like to buy and the price they are willing to pay. As producers, individuals decide what skills they will develop and how they will use these skills. Page 58.

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COMPARATIVE SYSTEMS

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
Every society, whether is be primative or modern, communist or capitalist, is faced with answering the basic economic questions of how shall limited resources be used, what shall be produced and in what quantities, and who shall receive these goods. Every society has to develop an economic system -- an organized way of dealing with economic issues -- which will produce answers for them.

In the United States, we try to operate a decentralized economic system in which all of us participate in economic decision-making by being consumers, businessmen, farmers, workers, savers and investors; and by making free decisions as to how we will spend our money, what we will produce, where we will work, how much we will save and where we will invest. All of these individual decisions are registered in the economic institution known as the market. In the aggregate or total analysis, they determine the prices of goods and services. Prices, which are determined by the aggregate decisions of everyone who buys and sells in markets, in turn influence the behavior of each of us as individuals. Our economic system is thus often referred to as a market system or as a "price-directed" economy. Page 3.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
The American tradition is one of "free enterprise". Yet, in fact, we now live in a mixed economy. It is a mixed economy because basic economic decisions are made not only by private consumers, businessmen, workers, savers and investors in the markets but also by the government. In spite of a national philosophy favoring a maximum amount of private enterprise and a minimum role for government, the government's economic role has grown over the years. Page 12.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
As the market became the important method of coordinating economic activity, an economic system which would permit the market to function as efficiently as possible developed. This economic system is termed Capitalism. Page 11.

COMPETITION

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
There has been a decline in the traditional kind of competition which was characterized by large numbers of sellers, freedom of entry into industry, identical product and flexible prices. Page 12.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
As time went on, many industries came to be dominated by a few giant corporations. This has caused problems because our economic system relies on competition to insure innovation and efficiency and to keep prices down. Competition in any industry dominated by three or four large corporations is much different than competition in an industry with hundreds of small businesses. Page 82.

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COMPETITION

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E. Since the Civil War, we have seen the rise of big business. One reason for this growth has at times been the desire to eliminate competition through mergers. The operations of Rockefeller's original Standard Oil Trust in the 1880's is a good example of this. Page 9.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E. Traditionally, we have thought of competition as being a state of affairs where large numbers of sellers competed with one another in a market and where new firms could enter the industry at any time. This old-style competition has certainly declined. Many lines of production are now dominated by a few firms, and it is certainly not easy for new producers to enter such industries.

A new type of competition has developed. We now have vigorous competition between substitutes. We have a broad competition for the consumer dollar. We have vigorous competition in the form of attempts to improve the product or provide better services. There is competition through advertising. Page 10.

CONSUMERS: CONSUMPTION: UTILITY: DEMAND

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP). In a developing economy, the people have started to break away from traditional ways and want a higher level of living. To achieve growth, people must concentrate on saving, investment, and research, and be willing to accept the changes that go with growth. There must be people who are innovators, inventors, investors, enterprisers and consumers who will try new products and services. Page 16.

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP). The freedom of consumers to spend their incomes as they please and by their decisions indicate to producers what ought to be produced, is one of the characteristics of the market economy. Page 1.

Grade 8, Economic Readings for Students for Eighth Grade U.S. History, Pittsburgh DEEP.
Consumer demand includes goods and services bought by people to satisfy their wants and needs. Business demand includes goods and services bought to be used to produce other goods. Government demand includes all goods and services bought by federal, state and local governments. It makes no difference whether they are consumer or capital goods and services. Page 46.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. There are 60 million consumer households in the U.S. economy. Together they spend nearly half a trillion dollars a year for the purchase of goods and services to satisfy the needs and desires of over 200 million Americans. Consumer spending plays an important role in the Circular Flow of Economic Activity by influencing the overall level of market demand, and by sending "dollar messages" to business firms telling them which particular goods and services to produce for sale in the market. Page 77.

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CONSUMERS: CONSUMPTION: UTILITY: DEMAND

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The 1880's was a period of rapid economic growth and change, partly because of increased demand for the output of our economy. Page 75.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
For actual output per capita to increase over time (economic growth) both total productive capacity and total effective demand must increase faster than population growth. Sometimes total demand has fallen short of total capacity. The result has been unemployed resources, and the wasting of potential capacity. Such periods are usually called depressions or recessions. Page 3.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Increased total demand is a necessary ingredient for economic growth. Total demand is the summation of consumer demand, business demand and government demand. Page 52.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
The purpose of economic activity is to satisfy wants. When people satisfy their wants, they are consumers. Page 1.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
Consumption is the process by which human wants are satisfied. The people who are satisfied are called consumers. Page 8.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
The individual plays three roles in economic life: he is a worker, a consumer and a citizen. Page 1.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
If the items we purchase did not give us satisfaction, we would not purchase them again. The satisfaction derived can be measured by total utility or marginal utility. The higher the satisfaction, the greater the utility we place on the good. Diminishing marginal utility or marginal satisfaction means that each subsequent identical good consumed gives less satisfaction to the consumer. Page 9.

DIVISION OF LABOR: SPECIALIZATION: INTERDEPENDENCE

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
Modern economies are based on specialization and trade. Specialization increases productivity by promoting a more efficient use of the productive resources. A region or country will specialize in producing the goods that use its most abundant and cheapest, productive resources. Specialization increases with technological development. As machines and productive techniques become more complex, more complex specialization is required. As specialization increases, the proportions of capital and natural resources relative to labor usually increase.

DIVISION OF LABOR: SPECIALIZATION: INTERDEPENDENCE

Transportation and communication systems are necessary because specialization requires the exchange of goods, services, money and markets.

Barriers to trade in the form of tariffs, quotas and control on the movement of people prevent the most efficient use of productive resources. The market for consumer and producer goods is restricted and regional specialization is hampered. By scaling down these barriers, the size of the market is increased, leading to more specialization and mass production. Production facilities can then be located in the best places for serving the market and acquiring the needed raw materials and labor. Page 6.

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
An underdeveloped economy is usually based on agriculture. Job specialization is very limited. The lack of some factor such as capital or skilled labor makes it impossible to fully utilize the available resources. Frequently there are strong elements of tradition which act as barriers to progress. Page 15.

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
The breaking down of the interstate trade barriers under the Constitution promoted regional specialization. The invention and growth of communication and transportation networks facilitated national trade. This increased regional specialization and interdependence. Page 9.

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
Specialization and trade necessitate the use of a medium of exchange. Barter and a variety of items used as money disappeared as the Nations money supply increased. The establishment of the First and Second Banks of the United States and the Federal Reserve System organized and controlled the nation's monetary matters. Page 10.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
There are limits to the advantages of specialization. When the market is small, there is no reason to specialize. Specialization produces more goods. Therefore, the market economy only works well and profitably when the markets are large enough to sell all these goods.

After the Revolutionary War, 90 percent of the people were largely self-sufficient. The main reason for the large amount of self-sufficiency was the high cost of transportation, which kept markets small. Page 25.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Centuries ago, men and women learned they could produce more and better goods and services by working together as a team rather than working alone and trying to be a jack-of-all-trades. Page 25.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
The division of labor is well developed in the American economy. There is a great variety of jobs in the United States. There are in fact, according to the Federal government's job classification system, 479 individual occupations which have 23,000 definitions and 36,000 titles. Page 29.

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DIVISION OF LABOR: SPECIALIZATION: INTERDEPENDENCE

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The early settlers were very isolated and had to rely on themselves for almost everything. Because of this they couldn't specialize. A growing population, improvements in transportation, the development of a uniform currency, and later, the elimination of artificial barriers to trade encouraged specialization by making it easier for producers of specialized goods and services to find a market for their products. As specialization increased, so did the per capita output of goods and services. Page 14.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The colonies were able to produce more when a growing population, improvements in transportation and other factors made it possible for individuals to become specialists at different jobs and for the colonies themselves to specialize in different products. Page 22.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
An improved banking system helped to provide capital for private ventures. The states and the federal government also contributed to the stock of capital, particularly by building roads and by other projects which made transportation easier, thus contributing to regional specialization. Page 48.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
A number of innovations stimulated economic growth during the mid-1800's. These included mechanical inventions, improvements in the transportation system, national banks and other new financial institutions. Many of the innovations contributed greatly to the specialization and expansion of the north, south and the west. Page 60.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
An improved transportation system makes it easier for people to specialize. Page 76.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Specialization creates interdependence. Page 15.

Grade 8, Teachers Manual for Economic Education for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Greater productivity is achieved through specialization than through self-sufficiency. A profitable market economy requires a market large enough to support specialization. Transportation and communication facilities had to be developed in the United States before a thriving market economy could develop. Page 37.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
Within societies, man divides the work that has to be done. As each individual concentrates on the work he does best, more work is accomplished. There is then more to share and everybody profits. As men become specialists, they become more dependent on each other.

DIVISION OF LABOR: SPECIALIZATION: INTERDEPENDENCE

The machine was a link that tied men together. Many men were needed to run the large, complicated machines that man invented. These men could no longer farm, sail and trade, yet they still needed the goods produced by the farmer, the sailor and the trader. They depended upon the labor of each other to provide for these needs. The men who worked the machines also produced goods that the farmers, the sailors and the traders wanted; and as their wants increased these men became more interdependent. Page 69.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
Once man became interdependent, the satisfaction of one man's wants could be prevented by another man's decision. If a tribe's hunters decide not to hunt, warriors might starve. If steelmakers decide not to produce steel, automakers might be put out of business. The far reaching effects of interdependence makes it necessary for men to have some kind of control over the decisions of others. Page 70.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Output of a nation is increased by having individuals specialize and become efficient in fewer operations in the overall production process. Specialization creates economic interdependence whereby all workers must depend on many other workers to supply the required goods and services. Specialization has sometimes resulted in a loss of pride and creativity involved in production. The worker is engaged in such a small part of the production process that in many cases he does not know what the finished product looks like. Page 20.

ECONOMIC FACTORS AFFECTING THE GROWTH AND DEVELOPMENT OF CITIES AND BUSINESSES

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Technology has, on balance, surely been a great blessing to mankind -- despite the fact that some of the benefits have been offset by costs. There should be no thought of deliberately slowing down the rate of technological advancement. The task for the decades ahead is to direct technology to the fulfillment of important human purposes and seek to make it more meaningful rather than merely more productive. Page 85.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
Some of the characteristics of a growing economy are a growing population, a shift from reliance on agriculture and forestry to industry, trade and services, and a heavier concentration of people in cities. Page 9.

EFFICIENCY

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
One important goal that the American people have set for their economy is full production. We want to make full use of the productive resources that are available, and to use these resources efficiently. Our nation feels so strongly about the importance of this goal that Congress passed a law (The Employment Act of 1946) making it the responsibility of the federal government to "promote maximum employment, production and purchasing power". Page 60.

EFFICIENCY

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Greater efficiency is one possible cause of economic growth. Page 274.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Big businesses emerged after the Civil War and have played a major role in our economic system ever since. Such businesses are sometimes able to use very efficient methods of production that cannot be used by smaller firms. Page 78.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
As time went on, many industries came to be dominated by a few giant corporations. This caused problems, because our economic system relies on competition to insure innovation and efficiency and to keep prices down. Competition in an industry dominated by three or four large corporations is much different than competition in an industry with hundreds of small businesses. Page 82.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
Increasing productivity means that one worker working one hour can produce more than formerly. Such an increase comes partly from greater skills and knowledge acquired by workers, partly because they have newer and more efficient machines with which to work, and partly because of more efficient management by their employers. Page 11.

FACTORS OF PRODUCTION: GENERAL (CAPITAL, LABOR, LAND, MANAGEMENT)

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
The productivity capacity of a country depends on the quantity and quality of the productive resources available, including natural resources, the labor element, the availability of capital and the level of technology. Page 5.

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
The supply of natural resources of a country is a factor in its economic growth. Natural resources make growth possible; but capital, labor and technology will determine how they are used. Poor supplies of some natural resources may be compensated for by developing other resources and by foreign trade. Page 17.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
The capacity to produce the goods demanded is one of the factors for economic growth.

The factors that influence a group's capacity to produce are related so that a change in one factor is likely to cause a change in the others. For instance, the amount and type of capital resources available may change . This change may make a big difference in how useful the unused natural resources may become to a nation's economy. Page 50.

FACTORS OF PRODUCTION: GENERAL (CAPITAL, LABOR, LAND, MANAGEMENT)

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Economics is the study of how society organizes to develop and to use its productive resources to satisfy human wants. Page 5.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Resources are those things that can be used to produce things. Generally economists divide all the things that can be used in production into three groups: labor, capital and natural resources. Page 6.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
The quantity and quality of labor, capital and natural resources along with technology will always set the upper limit to what a nation can produce. Page 13.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
A nation's ability to produce goods and services depends upon its total productive capacity. At any given time, this productive capacity is determined by the quantity and quality of a nation's human resources, natural resources, capital resources, technology and the environment for enterprise. It is important to recognize that all of these factors help to determine productive capacity, and that the proper balance of all of these factors is needed for production. Page 2.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
Productive resources are these things that are needed to make the goods and services consumers want. Page 8.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
Economic growth as a historical process can be looked at from three angles. The supply side of growth is concerned with the inputs which make an increase in output possible. These inputs are natural resources, human resources and capital. In a private enterprise economy, it is the responsibility of management which is a special kind of human labor, to blend these factors of production together with maximum efficiency in order to increase the output of goods and services. Page 6.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
The international economic position of the U.S. has changed fundamentally over the years. At the beginning of our history as a nation, we were an underdeveloped country. We had the natural resources necessary for growth but lacked the manpower and the capital. We overcame the former through free immigration and the latter by borrowing from Europe until our own national savings were adequate to finance growth. Page 15.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Resources are generally identified as land, labor and capital, and they are called the factors of production. Page 9.

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FACTORS OF PRODUCTION: CAPITAL RESOURCES

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Capital resources are the plant or factory building and equipment needed to make other goods and services. Page 2.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Capital resources are those things that are made to be used in producing other goods and services. Page 6.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Capital resources are resources produced by men to be used in producing other goods or services. Page 50.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
Capital resources are goods produced for the purpose of producing other goods and services. Capital resources are distinquished by the use to which they are put. Some things are capital resources under some circumstances, but not under others. A Volkswagon bus used as a family car is not a capital resource. The same bus used as a delivery truck by a grocery store is a capital resource.

The real cost of producing capital goods is not having the consumer goods that could have been produced with the same resources. The existence of capital resources implies that at some time in the past the society that produced these goods had more productive resources than were needed for survival and that economic decision-makers were willing to sacrifice some more immediate consumption for the increase production of capital resources. Page 13.

FACTORS OF PRODUCTION: LABOR OR HUMAN RESOURCES

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Human resources are those men and women needed to change the natural and capital resources into goods and services that are in demand. Page 50.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Of all the resource inputs, nothing is more important to the economy than the quantity and quality of its manpower. Page 25.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
The labor force is the supply of workers who already have jobs or are able and willing to accept employment. It is from this group that employers choose their workers. The labor force keeps changing in number and composition. Page 121.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Shortages of resources limited colonial growth. The colonies had lots of natural resources, but they were short of labor and capital to fully utilize these natural resources. Page 18.

FACTORS OF PRODUCTION: LABOR OR HUMAN RESOURCES

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The basic structure of our present collective bargaining system was well established by 1890. We had local and international unions, collective bargaining agreements and strikes. Page 84.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
A society's human resources are the health, strength, education and skills of its people, including their ability to organize economic activity and get things done. Page 2.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Human resources refer to human energy and skills useful in producing goods and services. Page 6.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
People are needed to help in the production of wanted goods and services. These people are called human resources. The quantity of human resources available and the quality of these resources limit the amount of goods and services that can be produced. Page 10.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
There is no aristocracy in the United States. Nearly everyone, willing and able, works. Some people work sweeping floors and others work playing professional baseball. Regardless of how menial the task may appear, people respect a man who works for a living. The skilled American worker has helped to give the United States the highest level of technology in the world. Page 11.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
The output of a nation is increased by having individuals specialize and become efficient in fewer operations in the overall production process.

The term manpower market refers to the job market. Workers offer their labor at certain wages and this constitutes the supply of manpower. Employers desire to hire a given number of workers at certain wages and this becomes the demand for manpower. Page 20.

FACTORS OF PRODUCTION: LAND OR NATURAL RESOURCES

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
The frontiersmen relied mainly on natural resources ... the land. Page 12.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Natural resources are resources supplied by nature, such as water, trees, oil, etc. Page 50.

FACTORS OF PRODUCTION: LAND OR NATURAL RESOURCES

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Shortages of resources limited capital growth. The colonies had lots of natural resources, but they were short of labor and very short of capital. Page 18.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh, DEEP.
Natural resources are the gifts of nature that are useful in producing the goods and services that men need and want. Page 2.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
Natural productive resources are the gifts of nature that man has found useful in satisfying his wants. A gift of nature does not become a productive resource until it can be used to produce something people want. This implies two conditions: (1) nature's gift must be useful in producing something people want, and (2) people must have the skills and equipment needed to transform these gifts into a form suitable for producing things people want. Page 9.

Grade 9, Economic Themes in United State History: Calderwood, J.C.E.E.
It might be noted that today our natural resources are proving to be increasingly inadequate for future growth and the years ahead will not only require renewed emphasis on the conservation of resources but also on foreign trade as we become more dependent on imports. Page 7.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
All the things which nature provides us for use in creating material goods are natural resources. Good harbors for our merchant ships; trees for lumber and paper; pigs for pork chops and footballs; fertile soil for farming and golf courses; sand for beaches and school windows. The American people possess a great number of resources. As with all nations, however, our resources are scarce in relation to our wants. Page 11.

FACTORS OF PRODUCTION: MANAGEMENT: ENTREPRENEUR

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Technology is the knowledge needed to put natural, human and capital resources together to produce goods and services that are in demand. Page 50.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh, DEEP.
Just the fact that resources are there is not enough to cause growth. There must be something to get the wheels started, to give the first push, to change technological knowledge, natural, capital and human resources into goods and services for which there is a demand. In a private enterprise economy, this part is played by the entrepreneur. Henry Ford is a prime example of an entrepreneur. Page 53.

FACTORS OF PRODUCTION: MANAGEMENT: ENTREPRENEUR

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Henry Ford demonstrated to the world the importance of risk taking and organized ability. Page 57.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
The entrepreneur assembles and coordinates the natural, human and capital resources needed for production. He organizes the production process. He makes the necessary financial arrangements. He is the catalyst needed to convert resources into finished goods and services. He is a special kind of human resource. He is a human resource willing to take a chance. He is betting on the future and his ability to forecast it -- the entrepreneur is a risk taker. Without him resources would remain resources. With him they are converted into goods and services that people want. Page 17.

GOODS AND SERVICES

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Goods are material things that can be used to satisfy wants or help produce other things. Services are activities that satisfy wants, such as a haircut you get in the barber shop. Page 6.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The growth of the colonies was stimulated by a growing demand for colonial goods and services. Page 26.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
In order that wants may be satisfied, goods and services must be produced. Page 1.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Goods are anything that satisfy a need. Free goods are not scarce and need not be paid for -- examples are air, sunshine, and water. Economic goods are scarce and need to be paid for. Consumer goods are those items which the individual buys for personal use. Capital goods are those items bought by the businessman for use in business. In addition to purchasing goods, man needs to purchase the services of those people most directly involved in the production process -- examples are the medical services offered by the doctor, the educational services offered by teachers and the repair services offered by TV and appliance technicians. Page 9.

GOVERNMENT AND THE ECONOMY: GENERAL

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
Federal, state and local government decisions are increasingly substituted for decisions of the free market. Page 11.

Grade 8, The Economics of Poverty, Joint Council on Economic Education.
In 1964, the federal government officially declared war on poverty. In August of that year, the Economic Opportunity Act was passed. Although a number of other laws concerning the poor had already been put into effect, most of them were passed during the great depression that struck the American economy in the 1930's.

GOVERNMENT AND THE ECONOMY: GENERAL

Grade 8, The Economics of Poverty, Joint Council on Economic Education.
In a modified free enterprise market economy, the government is an agency for modifying or changing market decisions when those decisions threaten the goals to which the community has attached great importance. When the market price for farm products fell so low, farmers were being priced off their farms; the government was called upon to protect the Jeffersonian view of the goods society.

When the government is called upon to modify market decisions, there are always some who protest. They point out the dangers of government interference and the advantage of a system geared to free choice on the part of all individuals. At the same time, there are always others willing to defend government intervention. They point out how the market's lack of compassion and the government's duty to protect the interest of the larger society. Page 49.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Beginning with the laws called the Navigation and Trade Acts in the mid 1600's, England worked out a very thorough system of regulating her colonial economy. Page 16.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Some of the early actions taken by the Federal Government in the United States had an effect on the American economy. Some of these acts helped create larger markets and encourage specialization and trade. Others, however, involved interference in free markets and made trade more expensive. Page 26.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Our young government was able to establish a stable political system. Men were free to invest their money, knowing their money was not likely to be lost because of a weak, or a hostile government. A political base was laid that promised to protect farmers, merchants, and shippers by law. Contracts would be enforced. A sound political system was good for other people besides Americans. Many Europeans were looking for a profitable place to invest their money. Page 28.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Citizens of the community, the state and the nation use governmental units to make rules, exercise controls and engage in activities that influence the production of goods and services and the distribution income in our economy. Government accounts for more than 20 percent of our Gross National Product. Page 67.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
While the initial voyages were generally undertaken by nations and their rulers, private or semi-private companies were also encouraged to undertake voyages of exploration and colonization. Page 10.

GOVERNMENT AND THE ECONOMY: GENERAL

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The mercantile economic system of the colonies was characterized by tight legal controls on prices and quality, and by measures designed to preserve the colonies as sources of raw materials for English products. Page 32.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The governments get the money they need for war supplies by selling bonds and raising taxes or by printing paper money. The first method will reduce inflationary pressures. The second method makes inflationary pressures worse. Page 70.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Our country has become increasingly concerned with problems of economic growth and economic stability. Page 88.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The Federal Reserve Board attempts to secure economic stability and economic growth by making it easier or harder for banks to lend money. The President and Congress attempt to secure economic stability and economic growth by adjusting federal taxation and spending policies. Page 92.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Our governments -- local, state and federal -- have been growing faster than the rest of the economy. Government purchases of goods and services have been increasing, so have government programs designed to transfer income from one part of the population to another. Page 94.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
The federal government has helped the state through subsidies to railroads, highways, shipping, through tariff protection, through agricultural extension service, and through cheap electric power. State and local government have helped Washington by investing in education, building roads, and encouraging private enterprise. Page 12.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
The market fails to satisfy only when somebody decides that some goal is more important to him at the moment than the profit earned by those who produce what people are willing to buy. The market has no mechanism for evaluating decisions in terms of goals other than profit. Some control over the market must be exercised by forces outside the market when market decisions appear to be ignoring important goals. Sometimes this control is exercised voluntarily, sometimes this control is exercised by government. Page 77.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
In more recent years, the federal government has tried to promote economic stability and growth through such means as monetary policy and fiscal policy. The government has played a big role in promoting economic growth. Our system of free government has provided a framework of law and order and political stability which has permitted private enterprise to grow and prosper. Page 7.

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GOVERNMENT AND THE ECONOMY: GENERAL

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E. The federal government has regulated natural monopolies, such as gas and electricity and telephone companies, in the public interest since the passage of the Interstate Commerce Act in 1887. The significance of this approach is that it involves the substitution of the decisions of government agencies for the decisions of the free market. In other words, we have taken a segment of our economy out of the market economy. We are using in this area a different system of economic decision-making. Page 11.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E. One important role of the government is that of regulator of the public interest. Another important role is that of consumer of goods and services. A third role of fundamental importance is that of promoter of economic stability and growth. Page 12.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E. Life is more complicated. People are more interdependent. Inevitably the government has been drawn more into the picture as a regulator and protector of the public interest, and coordinator of the complicated economic process.

One of the reasons for the growth of the government's role has been the rise of big business and a powerful labor movement. Obviously the government is unable to stand aside and allow big private power groups to operate without restraint. More curbs and regulations have resulted and thus a bigger role for government. Another reason for the growth of government's role has been the desire for economic security on the part of almost all sections of the population. Page 13.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E The Employment Act of 1946 places the responsibility for economic stability and growth on the federal government. It tries to achieve these objectives through the wise use of monetary and fiscal policies. Page 14.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. Laws have been enacted by local, state and federal governments to provide for more and better consumer information and protection. Page 1.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. The public sector of the economy is the government sector, which relies on citizens' decisions (not individual market decisions) to allocate resources for the collective provision of goods and services. The individual, acting as a citizen, has an influence on the role that state, local and federal government will play in providing goods and services through the public sector, and also in regulating the arrangements and conduct of economic activities that affect the individual and personal economic well-being.

Expenditures through government for collective consumption and collective investment represent about 30 percent of the nation's Gross National Product. Page 4.

GOVERNMENT AND THE ECONOMY: GENERAL

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. Gross National Product consists of consumption, gross investments and government spending. Page 15.

GOVERNMENT AND THE ECONOMY: PUBLIC GOODS (EDUCATION, POLICE, FIRE PROTECTION, ETC.)

Grade 8, The Economics of Poverty, Joint Council on Economic Education. One strategy for solving the problem of poverty is to develop poverty programs around poverty-linked characteristics. In 1963, 21 million Americans over 65 years of age received $21 billion in Social Security benefits. The federal government spend $308,900,000 that same year to develop vocational skills. Farm programs, health programs, educational programs are all supported by federal and state governments. Page 14.

Grade 8, The Economics of Poverty, Joint Council on Economic Education. The Job Corps was created to break the poverty cycle for those least likely to succeed: the school dropout, the unmotivated, the underprivileged, the unemployed. In the language of the legislation by which the Job Corps was authorized, the Office of Economic Opportunity was "to prepare for the responsibilities of citizenship and increase the employability of young men and women ages 16 to 21 by providing them, in rural and urban residential centers, with education, vocational training and useful work experience. Page 22.

Grade 8, The Economics of Poverty, Joint Council on Economic Education. One goal of the Community Action Program is to help the poor make effective use of existing services. These services are not always conveniently located. In neighborhood centers, representatives of the United States Employment Service, local health service, family agencies and legal groups are all brought together under one roof. The intent of the program is to get all of these services to operate together in solving the many problems that drag a single individual into poverty. Page 26.

Grade 8, The Economics of Poverty, Joint Council on Economic Education. Words are the tools of education. The children of the poor start school with an incomplete set of tools: they know few words. Failure at the kindergarten level can be predicted for children who are unable to communicate in the language of the school. One failure teaches the students to expect another and school becomes a failure factory for those with limited tools. When the school experience is finally ended, these students have learned one lesson. Success is something that happens to somebody else. Head Start is a Community Action Program that has been seen as the long-range hope in the war on poverty. It tries to teach the basic concepts of communication never learned in an underprivileged home, as well as success. Page 32.

GOVERNMENT AND THE ECONOMY: PUBLIC GOODS (EDUCATION, POLICE, FIRE PROTECTION, ETC.)

Grade 8, The Economics of Poverty, Joint Council on Economic Education.
Vista invites volunteers to serve the poor. Vista volunteers live among the poor. They become friends of the poor. They help them work out their problems. Two thousand seventy-three Vista volunteers live in poor communities all over the United States. Some live in the slums of Harlem. They help their neighbors find jobs. They tell them who to see when the landlord refuses to fix broken-down plumbing. Some Vista volunteers live in the hills of Kentucky and teach in one-room schools. Some work with farm laborers. Some live in Alaska and help Eskimos develop village industries. Page 37.

Grade 8, The Economics of Poverty, Joint Council on Economic Education.
The neighborhood Youth Corps works out part-time job arrangements for young people still in school. The work must be useful to society. It must be in addition to and not in place of, work already done by others. It should improve the services given by public or nonprofit agencies. These jobs are expected to help corpsmen develop good work habits, to learn to take directions and to come into contact with the skilled work of those they assist. Page 45.

Grade 8, The Economics of Poverty, Joint Council on Economic Education.
Only about one-third of the families and one-quarter of the individuals rated poor by the government's measure received public assistance in 1965. The others either did not apply or were ineligibile.

Social insurance payments are made to the aged, the disabled, the unemployed, and to survivors or workers uninsured under the Social Security Act. Only a fraction of the population receives income from government insurance programs at any one time, and only a fraction of these are poor. Page 52.

Grade 8, The Economics of Poverty, Joint Council on Economic Education.
A negative income tax is a mechanism for guaranteeing the poor a certain minimum income. The term is used to refer to any plan for making payments to the poor through the use of the personal income tax form. The personal income tax changes the distribution of income at the upper-income level. A negative income tax proposes to change the distribution of income at the lower level by having the government make payments to those below a given income level. Page 53.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Early America needed to improve its transportation. Better transportation facilities would connect the thousands of small local economies in the United States and make them part of one national economy. The national economy would have markets large enough to encourage more efficient use of resources. The whole economy would gain from improved transportation. The project was too big to be undertaken by private enterprise because of the vast costs involved. Page 26.

GOVERNMENT AND THE ECONOMY: PUBLIC GOODS (EDUCATION, POLICE, FIRE PROTECTION, ETC.)

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Government is involved in producing highways and schools because the American people want more and better transportation and education than they get individually through the private sector of the economy. Because the federal government is responsible for the common defense, it produces a large Army, Navy and Air Force establishment. Page 69.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Education is one of America's biggest investment industries, involving outlays of $50 billion a year. Three fourths of the direct cost of education is financed by taxes, including property taxes collected by local school districts. Citizens can make more intelligent decisions about elementary, secondary and higher education when they know how education is financed. Page 300.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The states and the federal government contributed to the stock of capital in America particularly by building roads and by other projects which made transportation easier, thus contributing to regional specialization. Page 48.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Early American transportation had to be improved before a demand effective enough to support widespread mass production could be created. Improved transportation created direct economic effects by creating jobs for road builders, canal builders, inn owners, etc., as well as the indirect economic effects of widening markets and improving resource mobility. Page 42.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
The federal government has helped the state through subsidies to railroads, highways, shipping, through tariff protection, through agricultural extension service, and through cheap electric power. State and local governments have helped the state by investing in education, building roads, and encouraging private enterprise. Page 12.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Many governmental and private organizations provide useful purchasing information. Page 3.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Expenditures through government for collective consumption and collective investment (including such human investment activities as education and medical care) represent about 30 percent of the nation's Gross National Product.

The need for collective consumption and investment by government is the recognition of social benefits (satisfaction or benefits that accrue to the community as a whole rather than being limited to a particular individual) and social cost (burdens or sacrifices that are borne by the community as a whole rather than by a particular individual). Page 4.

GOVERNMENT AND THE ECONOMY: PUBLIC GOODS (EDUCATION, POLICE, FIRE PROTECTION, ETC.)

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. National defense accounted for 43 cents of each dollar spent by the government. Page 59.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. The maintenance of the social security program accounted for 20 cents of each dollar. Veterans are given special benefits by the federal government which accounted for 4 cents per dollar. Education and other major social programs accounted for 11 cents of each tax dollar spent. Page 60.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. The international portion of the tax dollar -- 3 cents -- is used to promote a peaceful world community in which all peoples can progress toward more satisfying lives. In addition to the Food for Freedom program which supplies food to nations in need, there is a variety of economic assistance projects.

The category "other" which accounted for 13 cents of each tax dollar spent included epxenditures for space research, agriculture programs, conservation, commerce and transportation, housing development, public welfare and health, law enforcement, records management, and the cost of Congress and the federal court system. Outlays for interest payment took 6 cents of the tax dollar. Page 61.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. The consumer Credit Protection Act became law on May 29, 1968. The purpose is to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by restricting the garnishment of wages; and by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulations of the consumer finance industry; and for other purposes. The Truth in Lending Act does not fix minimum or maximum credit charges. The goal of the law is to enable consumers to make an intelligent use of credit by being able to see clearly what the cost of credit will be. Knowledge of credit costs will enable the consumer to compare the terms offered from a variety of credit-granting institutions. Page 64.

GOVERNMENT AND THE ECONOMY: TAXATION

Grade 8, The Economics of Poverty, Joint Council on Economic Education. A negative income tax is a mechanism for guaranteeing the poor a certain minimum income. The term is used to refer to any plan for making payments to the poor through the use of the personal income tax form. The personal income tax changes the distribution of income at the upper-income level. A negative income tax proposes to change the distribution at the lower level of having the government make payments to those below a given income level. Page 53.

GOVERNMENT AND THE ECONOMY: TAXATION

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. Taxes and spending affect the distribution of income. "Progressive" taxes, such as the federal individual income tax, take a higher percentage of income from the rich family than from the low-income family. Because sales taxes generally are "regressive", they take a higher percentage of income from poor families. Page 70.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. The most important tax for education is the property tax collected by local governments. This tax is based on the value of land, buildings, and certain equipment owned by individuals and business firms. Most of the states collect sales taxes and a large majority of states collect income taxes. Most of the money that the states contribute to the schools comes from these taxes. Page 299.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP). Through taxes, people pay for the goods and services provided by government. Page 5.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP). How many productive resources shall be allocated in the years ahead to the production of goods and services for private consumption, such as autos. television sets, clothes, and how many to goods and services for public consumption, such as schools, hospitals, and highways is an important choice to citizens, as it raises the question of how much will be taken from them in taxes and spent for them by federal, state and local government. Page 13.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. In addition to spending and saving, workers pay taxes to the government. In return for the tax payment, government offers public services to the citizen. Schools, highways, hospitals, police and fire protection are some of the public services purchased by the payment of taxes. Page 14

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. There is more to being a good citizen than paying taxes. In addition to paying taxes, the citizen has an obligation to see that he is being given adequate services for the tax (money) he is paying. Page 58.

GROSS NATIONAL PRODUCT (GNP): STANDARD OF LIVING

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP). Economic growth requires that savings be accumulated and invested in order to increase the supply of producer's goods, improve transportation networks, expand research, promote the development of new products, and generate innovations in the productive process.

GROSS NATIONAL PRODUCT (GNP): STANDARD OF LIVING

The productive capacity of a country depends on the quantity and quality of the productive resources available, including natural resources, the labor element, the availability of capital and the level of technology.

An advanced economy is highly technical, specialized, urban, industrial, and diversified. A significant proportion of consumer income is spent for discretionary goods and on goods and services that contribute to private well-being. Page 5.

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
The low level of economic development at which some countries find themselves, together with factors such as a largely uneducated citizenry and a lack of national feeling, may make centralized decision-making seem like the most efficient means of achieving economic progress at first. Page 13.

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
Economic growth means increasing the output of goods and services greater than the population increases. Economic growth is essential to raise the level of living in a country and to provide jobs for an expanding labor force. Page 15.

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
The United States has achieved the highest standard of living of any country in the world. Not only has the level of living of the average family improved, but the public goods and services available in the country have increased. Page 16.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
During the period between 1800 and 1860, the American scene changed so rapidly and expanded in so many directions, it is no longer possible to speak in terms of a "typical" pattern of living. New Englander traders, merchants, farmers, laborers, Southern plantation owners, slaves and Western frontiersmen were all part of an American way of life geared to an expanding market economy. All shared in the growing economy but not at the same rate nor the same capacity. Page 34.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
A nation may spend more money for goods and services one year than was spent the year before. This does not always mean that economic growth has taken place. Economic growth takes place when there are more goods and services per person. Page 43.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
The Gross National Product (GNP) of any nation is the total market or dollar value of all the final goods and services that its people produce in a particular year. GNP statistics -- measuring the dollar amounts of goods produced -- are useful because they give us important facts that help in studying how our economy is behaving. Page 41.

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GROSS NATIONAL PRODUCT (GNP): STANDARD OF LIVING

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
One major goal for our economy is stable growth. We want our economy to become bigger and better through the years. We measure the amount of our national output of goods and services by looking at statistics of Gross National Product. Economic growth is a steady increase in GNP per person. We want GNP to increase more or less at a steady rate -- about 4 or 5 percent each year -- without having business recessions or rapidly rising prices, or increases in unemployment. Page 60.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
The expansion of technical knowledge enable us to build better machines and design more efficient production systems. It makes workers more productive and helps businessmen increase their managerial efficiency. Technological advances make it possible to produce entirely new goods and services and to produce more goods and better goods. But there is no satisfactory way to measure the contribution that technological progress makes to our economic growth. Page 86.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Economic growth -- a steady increase in Gross National Product per person -- is one of the most important goals of the American people. Growth is caused by increases in the quantity of productive resources available for use, improvements in the quality of resources, technological progress, and greater efficiency in production. Recent research shows that education stands out as one of the most important sources of American economic growth. Page 273.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Economic growth of the colonies may refer to increases in total output or to increases in per capita output. Page 14.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The colonists were in a good position to innovate. This contributed to the economic growth of America. Page 24.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Our country has become increasingly concerned with problems of economic growth and economic stability. Page 88.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Although all societies face the problems of economic scarcity and real cost, some societies have a higher standard of living than others. On the average, Americans today have had more goods and services than any other people who have ever lived. Twentieth Century Americans have many more material possessions than Americans of previous generations. In short, the American economy has grown. Page 1.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Economic growth implies that a nation's standard of living is improving. Page 19.

GROSS NATIONAL PRODUCT (GNP): STANDARD OF LIVING

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Economic growth is measured in terms of an increase in goods and services available per person. Economies are measured in terms of their Gross National Product. Gross National Product is the summation of all money used to buy goods and services produced in a given year. Page 50.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Economic growth depends upon both an increase of total productive capacity and an increase in total demand. An economy's productive capacity is determined by its access to human, capital, and natural resources, technological advancement, and an environment that encourages growth. Changes in both the quantity and quality of human, capital, and natural resources will affect an economy's growth. Page 55.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Economic growth can be evidenced through an awareness of the increase in goods and services available to people in general. Page 59.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
While there was extreme wealth in the United States at the turn of the 20th Century, there was also a class of extremely poor for whom scarcity was a very real and pressing problem. But even among the poor, the standard of living had increased since the days of the Pilgrim. Page 64.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
Economic growth means an increase in a society's ability to produce goods and services for its people. The customary way of measuring economic growth is by using the concept of the Gross National Product, usually referred to as GNP. Gross National Product is the market or dollar value of all final goods and services produced. By measuring the rate of increase of GNP over the years, it is possible to know our rate of economic growth. Since the population of most countries is increasing also, however, per capita GNP gives a more accurate picture of a growing economy than total GNP. Page 9.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
Economic growth is a process which brings benefits to the people in the form of rising living standards. But it is also a process which creates problems. Most of these problems stem from the fact that growth means change and change imposes on people and on a society the necessity of making adjustments which are sometimes painful. Page 13.

Grade 9, Economic Readings for Students of Ninth Grade Science, Pittsburgh DEEP.
When the dollar value of all the final goods and services an economy has produced in one year is tabulated, the sum is called Gross National Product.

GROSS NATIONAL PRODUCT (GNP): STANDARD OF LIVING

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E. Economic growth as a historical process can be looked at from three angles. There is the supply side of growth, the demand side of growth and the political, social and economic environment in which growth must take place.

The supply side of growth is concerned with the inputs which make labor or human resources and capital. In a private enterprise economy, it is the responsibility of management, which is a special kind of labor, to blend these factors of production together with maximum efficiency in order to increase the output of goods and services. The demand side of growth is concerned with the ability, in a monetary sense, of the people of the country to buy what can be produced. The political, social and economic environment of growth is important also. If a country has a stable, honest and efficient government, a good educational system, proper public health facilities and a functioning system of banks, stock markets, insurance companies, etc., its growth will be facilitated. If it lacks these things, as we see is the case today in many Asian, African and Latin American countries, growth will be retarded. Page 6.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. The aggregate result of consumer spending determines a major part of the composition of the nation's gross national product, and therefore will influence the prices of goods and services. Page 3.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. The Gross National Product, commonly called GNP, is the money or dollar value of all the final goods and services produced in the country in a given year. In national income accounting all incomes are earned by producing goods and services. The value of production is distributed in the form of wages, salaries, rent, interest, or profits. Following the definition of income it becomes apparent that the total of all incomes must be identical with the value of all goods produced, because all income is generated by production and all production generates income. Page 15.

INCOME: GENERAL (INTEREST, PROFIT, RENT, WAGE)

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP). High incomes and economic growth within a country attract capital from abroad as foreign businessmen seek to take advantage of expanding markets to make a profit. Page 6.

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP). The prices of productive resources (wages, interest, etc.) constitute the cost of production to producers and indicate to them the most profitable combination of productive resources to use (i.e., prices determine how something will be produced.) Page 7

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. Of the total National Income, nearly three-fourths is paid each year to workers as compensation of employees (wages and salaries). Page 33.

INCOME: GENERAL (INTEREST, PROFIT, RENT, WAGE)

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. The income a person receives is an important determinant of his level of living. Income is received from three major sources -- payment for work, income from the ownership of property, and transfer payments (e.g., social security, public assistance, veteran's benefits). There are approximately 85 million workers in the American economy and 20 million additional persons who receive income in the form of transfer payments such as social security benefits.

There are vast differences in the amounts of income received by various individuals and households. Page 2.

INCOME: INTEREST

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. Owners of capital who allow their buildings and equipment to be used in production receive a payment called interest. Actually, they often receive this interest for letting people use their money, which in turn is used to buy buildings and equipment. Page 23.

INCOME: PROFIT

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. The fourth factor of production or economic resource is enterprise or management; the economic function of making basic policy decisions (not day-to-day supervising and managing) for a business, and bearing risk. The payment made to enterprise, when the business is successful, is called profit. Page 23.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. The mainspring of business, the driving force that makes business run, is the profit motive. Business firms produce goods and services not to satisfy human wants but to sell them in the market in order to make profits for the owners and managers of the business, and to provide investment funds for expanding the business. Page 64.

INCOME: RENT

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. Owners of natural resources who allow their land or raw materials to be used in production are paid something which is called rent.

INCOME: WAGE

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. All those people who contribute human effort (manpower) to the production process receive a payment that economists call wages. This includes hourly wages, monthly salaries, sales commissions, tips, fringe benefits, and all the other direct and indirect payments for work. Page 23.

INCOME: WAGE

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
In the input market, workers exchange their manpower for wages so they will have money to spend for the purchase of goods and services as consumers in the output market. Almost three-fourths of total National Income is paid regularly to the nearly 80 million people who contribute manpower to the production process.

People who do different kinds of work get different rates of pay. This should be of no surprise, since jobs differ in the level of difficulty; the education, skills and experience required; the hours and working conditions; the location; and many other factors. There are also differences in the relative supply and demand for workers with particular qualifications. Page 33.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Although some of the households purchasing power came from past savings, most of it is current income. Total personal income in 1966, for everyone in the country, amounted to $580 billion. Two-thirds of this personal income came from wages and salaries received for work that was done during the year. Page 78.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
For most families in the United States, work is necessary to provide the income they need to maintain their standard of living. About two-thirds of the total income received by families comes in the form of wages and salaries paid for work. Page 102.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
One of the rewards for successful participation in the manpower market is the pay that a worker receives. How much a worker earns depends on supply and demand forces in the manpower market and such factors as agreements between employers and labor unions and minimum wage laws. In general, workers who complete more years of schooling will get higher earnings. Page 109.

Grade 9, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Earnings (payments for work) differ among individuals depending on the number of hours a year the worker is employed, his wage rate, occupation, industry, education, age, geographic region and other factors. Studies of the relationship between earnings and education show that people with more schooling generally have higher incomes. Page 2.

Grade 9, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
In 1969, more than 500 billion dollars was paid to workers in the form of wages and salaries. Page 22.

INVESTMENT: SAVINGS

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
Economic growth requires that savings be accumulated and invested in order to increase the supply of producer's goods, improve transportation networks, expand research, promote the development of new products, and generate innovations in the productive process. Page 5.

INVESTMENT: SAVINGS

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
The freedom of people as savers to decide how much to save and in what ways to invest these savings constitute one of our economic freedoms. Page 3.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
People save money out of their incomes and businesses save money out of their profits. Page 4.

Grade 9, Economic Readings for Students of Ninth Grade Social Studies, Pittsburgh DEEP.
Capital is created through savings. Strickly speaking, savings is not money. Saving refers to those resources not used when you don't consume. For convenience sake, these resources are stored in the form of money. Page 83.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Personal savings is defined as that part of income left over after consumer spending. Saving is simply the difference between a person's income and spending. The largest part of the nation's saving is done by business firms in the form of retained profits and depreciation allowances. The amount that a person saves is influenced by the total amount of his income, his reserves and his inclination to save. Personal savings are also influenced by fixed commitments to save, such as participation in the social security system, pension funds and certain forms of insurance; and commitments to repay debt. An individuals savings can either be hoarded or put to use as financial investments that earn interest or dividends. An important reason for saving is to provide economic security, for example, a reserve of money that can be used in the future. Page 3.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
The term investment has several different meanings, which are widely used and therefore need to be understood. First, investment may mean spending money to purchase capital goods that can be used in further production such as buildings and equipment. One may think of this meaning as real investment. Second, financial investment means spending to purchase stocks and bonds. In this type of investment, an individual simply exchanges his savings for another asset. Page 4.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Most people do not spend all the income they receive. Some of the money is saved by depositing it in financial institutions such as banks. The banks pay interest to depositors and then use these funds deposited with them to give credit to those seeking a loan. Page 14.

MARKETS: ECONOMIC SYSTEMS

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
High incomes and economic growth within a country attract capital from abroad as foreign businessmen seek to take advantage of expanding markets to make a profit. Page 6.

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MARKETS: ECONOMIC SYSTEMS

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
The market is where individuals register their individual decisions. Consumers indicate their preferences in the market by the way in which they spend their money. Producers compete with one another to sell goods and services in the market, and try to make a profit by providing what they think consumers want. The market "adds up" all these individual decisions and creates out of them the great aggregate forces which determine what goods and services will be produced, how they will be produced, and for whom. These aggregate forces are called demand and supply.

Workers sell their services to employers in the labor market. Page 5.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
When the business firms receive signals in the output market from consumer households, they can make (and change) their plans concerning what and how much to produce. Any they can turn to the input market and buy the resources they need to produce the gocds and services that are demanded by consumers. Page 23.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
The manpower market is the meeting of men and jobs -- the institutions, processes and policies that make it possible for employers to obtain the human resources they need to produce our economy's goods and services. By participating in the manpower market, workers have an opportunity to make a contribution to the economy's output, to earn an income, and to satisfy other human needs. Page 105.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The Mercantile economic system of the colonies was characterized by tight legal controls on prices and quality, and by measures designed to preserve the colonies as sources of raw materials for English products. Page 32.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Competition regulates the market. Page 34.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
A profitable market economy requires a market large enough to support specialization. Page 37.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
Consumers, producers, workers, savers and investors register their decisions in markets where prices are determined through the interaction of supply and demand. Demand is the total of our individual demands as buyers. Supply is the total amount all sellers offer for sale. The prices of goods and services, which are determined by all of us collectively when we buy and sell in markets, in turn regulate our behavior as individual consumers, producers, workers, savers, and investors. Page 6.

MARKETS: ECONOMIC SYSTEMS

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
Today huge centers for economic power lie with big business. Business executives in many key industries such as steel have the power to administer prices. Many prices are now no longer determined impersonally in competitive markets but result from conscious decisions of persons in key positions of power. Page 9.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Markets differ in the extent to which competition or monopoly prevail and to the degree of information, mobility and freedom that individuals have in the marketplace. Page 1.

MONEY

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
Transportation and communication systems are necessary in a modern economy because specialization requires the exchange of goods, services, money and markets. Page 6.

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
Specialization and trade necessitate the use of a medium of exchange. Barter and a variety of items used as money disappeared as the nation's money supply increased. The establishment of the Federal Reserve System organized and controlled the nation's monetary matters. Page 10.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
In the constitution, it states that the Congress shall have the power to coin money and regulate its value. Page 28.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The constitution of 1789 encouraged specialization, an important factor in economic growth, by eliminating trade barriers between states, establishing a uniform currency, and in other ways -- patents, bankruptcy, weights and measures. Page 46.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Banks did print their own bank notes in the past, but they cannot do so now. Page 56.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The government got the money it needed for war supplies by selling bonds and raising taxes and by printing paper money. Page 70.

Grade 9, Economic Readings for Students of Ninth Grade Social Studies, Pittsburgh DEEP.
Money serves many purposes in a market economy. For one thing, it simplifies the process by which people can exchange something they have and don't want for something they don't have and do want.

In a private enterprise economy, money performs another necessary task. Capital is needed for production. Capital refers to the tools, machines,

and factories needed to produce other goods. For an economy to grow it must have capital resources. Capital is not money, but money is needed to create capital. Page 83.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
The United States economy is highly complex and money provides the vehicle by which trade and exchange take place. Money is often thought of as being principally coin and currency. In fact, coin and currency constitutes but a small fraction of the money supply. The most important kind of money in the U.S. consists of bank deposits; that is, demand deposits on which people write checks.

Without the extensive use of money, the elaborate system of specialization and division of labor would be impossible. Money also gives us the measuring rod of values. Page 12.

OPPORTUNITY COSTS: ALTERNATIVE COSTS: REAL COSTS: COST-BENEFIT ANALYSIS

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
For every unit of output, there must be input. There are always costs involved in the production of goods and services. Page 49.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
The research findings on the economic value of education have stressed benefits and costs that are fairly easy to measure, such as individual earnings and direct expenditures on education. However, there are additional benefits of education that need to be recognized. One example of the economic benefits is the direct contribution that education makes to increased national production; another is the indirect contribution that education makes to the advancement of knowledge. Page 303.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Voyages of exploration were expensive. Only a few nations were wealthy enough to undertake them. They had to decide whether to use their resources for exploration or for other things. Page 1.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Colonial economic growth involves social and other costs. Page 28.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
In answering the basic questions caused by economic scarcity, all societies also face the problem of real cost -- scarce resources used for one purpose cannot be used for something else. With limited resources, the real cost of doing one thing is the loss of the other things that could have been done with the same resources. Page 1.

Grade 9, Economic Readings for Students of Ninth Grade Social Science, Pittsburgh DEEP.
Every choice involves a cost. The real cost is not having the resources used for one purpose available for another. The real cost of everything produced is not having everything else that might have been produced with the same resources. Page 5.

OPPORTUNITY COSTS: ALTERNATIVE COSTS: REAL COSTS: COST-BENEFIT ANALYSIS

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. Benefits are the satisfactions we receive from something. These may also be thought of as advantages. The costs are the satisfactions we must give up or do without in order to get it, and these may also be thought of as disadvantages. A decision is made by comparing the benefits and costs -- the advantages and disadvantages -- of possible courses of action. Page 5.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. Opportunity cost, simply stated, means every buying decision involves choosing between a number of acceptable alternatives. The cost of what we buy includes the giving up of the rejected alternative. Page 39.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E. Each item has a value, each item has some use, function or benefit. Each item costs the individual something in terms of opportunities which must be given up in favor of the item being considered. A comparison of benefits gained to opportunities lost must be made; and a decision in favor of or against the item must also be made. Page 53.

PRODUCERS: PRODUCTION: SUPPLY

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP). To achieve growth, there must be people who are innovators, inventors, investors, enterprisers, as well as workers who will learn new skills and consumers who will try new products and services. People must be brought into a modern economy both as producers and consumers if there is to be economic growth. Page 16.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. Although buying and selling are not the most important kinds of economic behavior, production is the most basic economic activity. Page 24.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. Economic activity doesn't begin with buying and selling. It begins with production -- the use of resources to produce goods and services.

There are always costs involved in the production of goods and services. For every unit of output, there must be inputs -- materials, manpower and capital. Page 49.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. Because of our advanced technology, our economy is extremely productive. Page 82.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E. The first function of work -- to produce goods and services -- is so important and so obvious from the point of view of society as a whole, that we sometimes fail to recognize it. Page 102.

PRODUCERS: PRODUCTION: SUPPLY

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
Work has three functions: (1) to help produce goods and services, (2) to satisfy certain "non-economic" needs that workers have as human beings; and finally, (3) to earn the dollars people need in order to buy goods and services and maintain a standard of living. Page 109.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
It was easier for the North to shift its resources from peacetime to wartime uses. The South, which had specialized in cotton and tobacco, and depended on northern and foreign-manufactured goods, found the transition much more difficult. Page 66.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
Big business emerged after the Civil War and has played a major role in our economic system every since. Such businesses are sometimes able to use very efficient methods of production that cannot be used by smaller firms. Page 78.

Grade 8, Teachers Manual for Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
Economic growth is dependent upon both productive capacity and effective demand. Page 42.

Grade 9, Economic Education for Washington Schools: 7-9, (DEEP).
Producers bring together the factors of production (natural resources, labor, capital) and produce goods and services. Page 2.

Grade 9, Economic Readings for Students of Ninth Grade Social Studies, Pittsburgh DEEP.
Improved technology increases man's capacity to produce. The extent of this increase can be measured by comparing the amount of goods or services a single man produces in a single hour under one set of technological conditions with the amount he produces in an hour under another set of conditions. This unit of measurement is called output per man-hour. Page 24.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
Government has many economic roles. One is as a producer of goods and services. Page 12.

Grade 9, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Improvements in technology, such as automation and computerization are changing the structure of the American economy -- e.g., job opportunities for white-collar workers have expanded and there is greater employment in the production of services rather than goods -- thereby changing the pattern of job opportunities, skill requirements, labor productivity and earnings. Page 2.

TRADE (NATIONAL AND INTERNATIONAL): COMPARATIVE ADVANTAGE

Grade 7, Economic Education for Washington Schools: 7-9, (DEEP).
Barriers to trade in the form of tariffs, quotas, and controls on the movement of people prevent the most efficient use of productive resources. The market for consumer and producer goods is restricted and regional specialization is hampered.

By scaling down these barriers, the size of the market is increased, leading to more specialization and mass production. Production facilities can be located in the best places for serving the market and acquiring raw materials and labor. Page 6.

Grade 8, Economic Education for Washington Schools: 7-9, (DEEP).
Problems of international trade and finance often affect our property and security. Page 18.

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
The constitution states that the Congress shall have the power...to regulate...trade with foreign nations, and among the several states. Page 28.

Grade 8, Manpower and Economic Education, Darcy and Powell, J.C.E.E.
There is one economic goal that is not limited to the boundaries of the United States itself, but spreads overseas to other countries. This is the goal of international balance. We want to maintain a strong and balanced relationship in our foreign trade and international payments. Failure to achieve this goal not only causes serious economic problems at home and abroad, but also increases tensions that threaten world peace. Page 62.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
International trade increased in the 1800's. Alexander Hamilton and others argued for tariffs on imported goods on the theory that this would encourage the growth of domestic industry. A growing demand from customers overseas led to an increased output of American goods and services until it was cut off by the embargoes of the Napoleonic wars. These restrictions led investors to shift their resources away from the shipping industry and into manufacturing. Page 50.

Grade 8, Teachers Guide to Economics: Grade 8, Oregon DEEP.
The United States has become increasingly involved in international affairs. Our exports have grown. Our businesses continue to invest in foreign countries. We have carried on major programs of military and economic assistance. Gold has had an all important part to play in all of these transactions. In recent years gold has been flowing from the United States to foreign countries. Page 98.

Grade 9, Economic Themes in United States History: Calderwood, J.C.E.E.
It might be noted that today our natural resources are proving to be increasingly inadequate for future growth and the years ahead will not only require emphasis on the conservation of resources but also on foreign trade as we become more dependent on imports. Page 7.

URBAN PROBLEMS

Grade 8, Economic Readings for Students of Eighth Grade U.S. History, Pittsburgh DEEP.
At the turn of the century, signs of rapid industrialization and economic growth could be seen on all sides. Yet poverty was still very much a part of the American picture. Page 63.

Grade 8, Teaching a Course in Personal Economics: Canfield, J.C.E.E.
Workers often lose their jobs. For example, if consumers decide to buy fewer automobiles, some assembly line workers in the automobile factories may lose their jobs. Automatic billing machines are introduced and some office workers lose their jobs. Some workers lack industrial discipline and the employers fire them and look for more efficient workers. Page 24.

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